

SIAE - ITALIAN SOCIETY OF AUTHORS AND PUBLISHERS

STATUTE APPROVED ON 2025.9.30

ARTICLE 1 - Constitution, name, and registered office

1. The “Società Italiana degli Autori ed Editori”, abbreviated to “SIAE” (hereinafter also referred to as “Society”): (a) is an economic public body based on membership in accordance with Law No. 2 of 9 January 2008; is a collective management organization pursuant to Article 2 of Legislative Decree No. 35 of 15 March 2017.
2. The Society’s activities are governed by the provisions of private law.
3. The Society is in Rome with its registered office at Viale della Letteratura, 30.
4. The Management Board may resolve on the establishment and closure of secondary offices, representative offices and other offices in Italy and abroad.

ARTICLE 2 – Scope and activities

1. The Society carries out the following activities:
 - a) intermediation activities on behalf of the subjects referred to in Article 2, paragraph 3, of Legislative Decree No. 35 of March 15, 2017, their heirs or successors, in any form—direct or indirect—of intervention, mediation, mandate, representation, and also assignment, for the exercise of any economic exploitation rights recognized by Law No. 633 of April 22, 1941, as well as by any other provision contained in international treaties and conventions or in European Union regulations and directives, in favor of the aforementioned subjects regarding their respective works. These rights include representation, performance, recitation, reproduction, and broadcasting rights, including communication of protected works through any technical means. For the aforementioned purposes, the Society grants, in its own name and on behalf and in the interest of its Full Members and Mandate Members, licenses and authorizations for the economic exploitation of works protected by law, and shall collect and distribute the revenues deriving from the use of such works by adopting suitable procedures for the timely identification of those entitled to the collected royalties;
 - b) ensuring the best protection of the rights referred to in letter a) and the protection and development of intellectual works;
 - b-bis) undertaking all initiatives, including legal actions necessary or appropriate for the protection of the collective interests of Full Members and Mandate Members, as well as for the protection of individual interests, without the need for a specific mandate;
 - c) managing services for the assessment and collection of taxes, contributions, and rights, also based on agreements with public administrations, regions, local bodies, or other public or private bodies;
 - d) carrying out any other task expressly assigned to it by law;
 - e) carrying out any other instrumental and subsidiary activity to the above mentioned activities;
 - f) in compliance with the Law on companies and public bodies, SIAE participates, also in the capacity of founding member, in any types of legal entities, companies, European groups of economic interest, foundations and/or associations, in Italy and abroad, which carry out activities falling within those referred to in letters a) to e) above.

2. The Society, in compliance with the provisions of Legislative Decree No. 35 of March 15, 2017: i) shall provide loans, scholarships, and other benefits, including to non-members, in order to promote worthy initiatives in the sectors referred to in Article 8, paragraph 1; ii) promotes forms of assistance in favor of authors.

ARTICLE 3 – SIAE membership terms and conditions and records of Full and Mandate Members

1. It is possible to join the Society: a) by acquiring the status of Full Member as provided for in Articles 4 to 6 herebelow, by conferring the mandate specified therein; or b) by conferring the mandate provided for in Article 7, without acquiring the status of Full Member.

2. The terms and conditions for membership of the Society, contain in particular the provisions pursuant to Article 4 (1-7), of Legislative Decree No. 35 of 15 March 2017, along with the provisions concerning fees or any amounts due to the Society under Article 30, paragraph 2 (b) and (c) herein, are published on the Society website.

3. The Society, under the supervision of the Management Board, keeps special records, one for Full Members and one for Mandate Members. Those records are published on the Society website.

ARTICLE 4 – Acquisition of Full Membership and termination of mandate

1. The following may apply for membership in the Society:

a) copyright holders, as authors, or their heirs, or publishers, whether Italian or foreign natural or legal persons;

b) within the limits of the provisions of these Articles of Association, the entities representing rightsholders, including other copyright collective management organizations or independent management entities of copyright, or associations of Italian or foreign copyright holders.

2. Following the decision of the Supervisory Board concerning a proposal put forward by the Management Board, further requirements may be imposed for admission as a Full Member of the Society. Such requirements: (i) must in all cases be objective, transparent, and non-discriminatory; and (ii) shall be published on the Society's official website.

3. Full Membership shall be acquired on application, upon payment of the membership fee referred to in Article 5, paragraph 3, where due, and following the decision referred to in paragraph 6 of this Article

4. The application form must contain, in accordance with the provisions of Article 8: (i) the indication of the Section, and related category, of authors and publishers, for which membership is requested; and (ii) the specification, in writing, of what right or category of right or type of works and other protected subject matter are entrusted to the Society's management.

5. Registration in more than one Section is possible.

6. Regarding membership applications, following verification of the recurrence of the required criteria, as well as any appeals against negative decisions on such applications, the Society provides feedback within the time limits set by Legislative Decree No. 35 of March 15, 2017, in compliance with the procedure governed by the Regulation referred to in Article 37

7. Membership shall be intended for the duration of one financial year and is tacitly renewed on an annual basis subject to the non- occurrence of any of the grounds for termination of membership referred to in Article 6.

8. Membership of the Society automatically confers a mandate without representation or, in any case, another form of mandate for the duration provided by these Articles of Association in favor of

the Society, for the administration of works and categories of rights referred to in paragraph 4, and subject to the economic conditions referred to in Article 30, paragraph 2, letters b) and c) of these Articles of Association. Such conditions shall be established by the Society in accordance with the provisions of these Articles of Association.

9. Upon submitting the application for membership, the applicant shall declare any commitments undertaken with other collective management organizations or independent management entities, in order to establish the rights conferred on the Society and the territorial scope of the aforesaid mandate.

10. Communications relating to the membership relationship shall be deemed to have the effect of written notification when sent to the elected domicile indicated in the membership application or mandate, by any means, including registered mail with return receipt, certified email (PEC), or standard email messages. The Society also provides its Full Members with access to a dedicated area of its website, reserved for Full Members, which is used for sharing data and delivering the main services offered by the Society."

ARTICLE 5 - Rights and obligations of Full Members

1. Full Members enjoy the rights and are required to comply with the obligations provided for in these Articles of Association, the Society Regulations and the resolutions adopted by the governing bodies. In particular, Full Members are entitled to request the effective and correct performance of SIAE's official functions as specified in Article 2 (1), a) and b) above. Functions for which such Members also undertake to cooperate with the Society. Failure to comply with the obligations incumbent on Full Members shall result in loss of Membership pursuant to Article 6 (3) et seq.

2. The Society may request Members to provide data, and information necessary for the performance of its functions. Any data provided by Members are confidential. Without prejudice to any provision of law and subject to these Articles of Association, the Management Board may identify the data that may be made public, possibly in aggregate form, and the mode for dissemination of the same.

3. Full Members are required to pay the annual membership fee determined by the Supervisory Board upon a proposal from the Management Board. Failure to pay the membership fee, where due, shall result in termination of Full Membership status as referred to in Article 6 (2).

ARTICLE 6 – Termination of Full Member status

1. Membership shall be terminated by reason of breach of membership agreement, non-payment of membership fees, withdrawal, death or winding up of the Company.

2. Termination shall automatically result following the non-payment for one financial year, if due, of the membership fee, referred to in Article 5, paragraph 3. The grounds for termination shall be ascertained by the Management Board.

3. Termination of Membership shall be determined following due deliberation resolution, passed by the Management Board, on justified grounds.

4. Grounds for termination shall include the loss of the requisites required for obtaining Full Member status and any other just cause ascertained by the Management Board, including those provided for in Article 5, paragraph 1.

5. The resolution concerning termination of Membership is to be notified to the concerned party using the methods provided in Article 4.

6. An appeal to the Supervisory Board is to be filed within thirty days from the date of notification of any such resolution. The filing of the appeal suspends the effectiveness of the resolution to

terminate membership. The Chairman of the Supervisory Board shall immediately convene the Supervisory Board to decide on the matter. In the event that said membership termination may be addressed to a member of the Management Board or of the Supervisory Board, such member is not entitled to exercise his/her voting rights in the taking of the termination resolution.

7. A member's withdrawal from the Society shall be effected by providing a minimum four-month notice. Such notice shall take effect from 1 January in the year following that in which the notice of withdrawal is received by the Society.

8. The termination of Membership status, for any reason whatsoever shall result in the termination of the mandate referred to in Article 4, paragraph 8 and shall not entitle the member to Society assets, nor to the reimbursement of membership fees paid, nor to the waiver of those due for the current financial year at the time of membership termination. In any event, the foregoing is without prejudice to the provisions of Article. 4 (7) of Legislative Decree No. 35 of 15 March 2017.

ARTICLE 7 – Mandate Members

1. The natural or legal persons referred to in Article 4 (1), who do not intend to join the Society as Full Members, yet who wish to avail themselves of the Society services may confer a mandate on the Society, without representation, and for the duration provided for in these Articles of Association. Such membership shall be under the same terms and conditions provided for Full Members as specified in Article. 4 (9).

2. The provisions of Articles 4 to 8 shall also apply, inasmuch as they are compatible, to Mandate Members, it being acknowledged that the granting of such mandate neither constitutes a Full membership relationship nor does it entitle any such Mandate Member to participate and vote in the General Assembly Meeting.

ARTICLE 8 – Sections, assigned works and protected rights

1. The works are assigned to the relevant Section according to their genre: Music, Cinema, DOR, OLAF, Opera.

2. The following types of works fall within the management of the Music Section: symphonic compositions and musical compositions of various types, including any related lyrics, if any; musical compositions, with or without lyrics, included in a cinematographic work or assimilated work; extracts from operas, ballets, oratorios, operettas, revues, and similar works.

3. The following types of works fall within the management of the Cinema Section: cinematographic works and assimilated works, involving the creative contributions of the co-authors of the cinematographic works indicated in Article 44 of Law No. 633 of 1941 and subsequent amendments thereto. Such works include those with narrative or documentary content, created specifically for distribution or communication to the public, by any audiovisual means, producing expressive results similar to those of the cinematographic work.

4. The following types of works fall within the management of the DOR Section: dramatic works, operettas, variety shows, musical comedies, similar dramatic-musical works and works with drama performance features, including new genre or entertainment works, based on an original idea, also with the purpose of linking heterogeneous sources of entertainment, as well as works created specifically for communication to the public by radio, television, or any other means of broadcasting.

5. The following types of works fall within the management of the OLAF Section: written and oral works in the literary and scientific fields, including computer programs, visual and plastic artworks, however expressed, and photographic works.

6. The following types of works fall within the management of the Opera Section: operas, operettas, oratorios, similar dramatic-musical works, ballets, choreographic works, and similar

works. Works performed for the purposes of a concert fall within the management of the Opera Section, even if not performed in their complete original form, without prejudice to the provisions of paragraph 2 above.

7. Even if not expressly provided for in the above paragraphs, works created for radio and/or television broadcasting, in addition to those that may be created as a result of technological development, are to be managed by the Sections provided in this Article in accordance with their genre.

8. All rights to economic exploitation and remuneration rights, the management of which is entrusted to the Society by current legislation or by virtue of a specific mandate by the rightholders, fall within the management of the Sections and for the types of works respectively entrusted to their management.

9. A Full Member has the following powers: (i) to limit the mandate to certain territories; (ii) to limit the mandate to one or more categories of rights as specified by the Regulation referred to in Article 38. Delimitation of the Mandate will be effective from 1 January of the year following that in which such powers are exercised, and without prejudice to the notice referred to in Article 6 (7).

10. The Regulation referred to in Article 38 also governs the cases and procedures relating to the granting of licenses for non-commercial use, provided that any provisions of the Regulation that affect membership terms in Article 3, are published together with the aforementioned membership terms.

ARTICLE 9 – Information disclosure

1. The Society shall freely make available to the public and keep duly updated on its website, at least the following information:

- a) the Articles of Association
- b) the Society membership terms (as Full or Mandate Member), including fees payable to the Society as provided for in Article 30 (2), b) and c) of these Articles of Association, as well as the membership withdrawal terms and conditions;
- c) the mandate form as provided for under Article. 4 (9), and Article. 7 (1), as well as powers regarding any limitations to such mandate;
- d) the respective records of Full and Mandate Members;
- e) the standard licensing agreements and the applicable standard tariffs (or the amounts of compensation for the exploitation of works), including the terms for obtaining any reductions or concessions;
- f) the list of subjects appointed as members of either the Assembly of Delegates (if appointed), the Supervisory Board or the Management Board;
- g) the general distribution policy relating to the amounts due to the rightholders;
- h) the general policy relating to management fees;
- i) the general policy on deductions, other than those referred to in letter h) above, relating to rights revenues and any other revenue obtained from management fees, including those for providing social, cultural and educational services;
- l) general policy on non-distributable amounts;

- m) a list of representation agreements entered into with the names of the respective organisations or entities to which these agreements refer;
- n) the statements referred to in Article 20 (8), respectively issued by the members of the Supervisory Board, Management Board and the Advisory Committees referred to in Article 18;
- o) the budget estimates and the management statements together with the supplementary or accompanying reports, including the transparency report and the special report;
- p) the report to Parliament pursuant to Article 28 (5) of Legislative Decree No. 35 of 15 March 2017;
- q) the procedures concerning the exercise of electronic voting rights in the General Assembly Meeting;
- r) the procedures for handling complaints and/or any dispute resolution procedures adopted by the Society.

2. The Society, without prejudice to the provisions of paragraph 1 above and on the basis of a sufficiently justified request, shall make available to collective management organisations on whose behalf it manages rights under a representation agreement or to any rightholder or user, electronically and promptly, at least the following information: (a) works and other subject-matter managed by the Society, the rights it manages, whether directly or on the basis of representation agreements, and the territories covered by such agreements; (b) where it is not possible to determine such works or other protected subject-matter, the types of works or other protected subject-matter managed by the Society, the rights it manages and the territories covered by such agreements.

3. The information referred to in paragraph 2 above is to be provided to users: (i) in such a way as to guarantee the processing of the information received from them in its entirety; and (ii) in any case, in compliance with the minimum procedures established by the Minister of Cultural Heritage and Activities and Tourism by the Decree referred to in Article 27 (2), of Legislative Decree No. 35 of 15 March 2017.

4. The above without prejudice to the provisions of Article 31 of Legislative Decree No. 35 of 15 March 2017, relating to the transparency of information concerning the musical work rights of multi-territorial repertoires.

ARTICLE 10 – Organization

1. The governing bodies of the Society are the General Assembly, the Supervisory Board, the Management Board, and the Board of Auditors.

2. The Society minutes are kept at the Society's registered office. Full Members are entitled to inspect the minutes of the General Assembly and the Supervisory Board.

3. Where not expressly provided for in these Articles of Association, the convocation procedures and the rules governing the functioning of the Society bodies may be further regulated by the Regulation referred to in Article 37. The above is without prejudice to the fact that (i) the convening of the Management Board and the Supervisory Board can be made even only by means of Certified Electronic Mail; while (ii) the convening of the General Meeting must in any case take place in compliance with the provisions of Article 12, paragraph 3.

4. In any case, at the meetings of all the bodies of the Society, including the General Assembly convened for resolutions under Article 12, paragraph 7, letter (a), persons entitled to attend may take part even only by means of videoconference or teleconference, provided that all participants can be identified, such identification is recorded in the minutes, and that they are enabled to follow the discussion and intervene in real time during the discussion of the topics being addressed, including

exchanging documents if necessary. In such cases, the notice of meeting must include the procedures for participating, any authentication methods, and, for the General Assembly, the deadline by which members must register to attend. The meeting itself shall be deemed to be held at the location where the chairman is located.

5. The convening of the Supervisory Board is governed by Article 16, paragraph 5. Where urgent, the term provided for therein may be shortened, but in any event it may not be less than three days.

6. Management Board or Auditors Committee meetings shall be convened at least five days prior to the set date for any such meeting. Where urgent, the convocation notice may be shorter but, in any event, no less than twenty-four hours prior to the meeting.

7. A full meeting of the Society's governing bodies is always permitted, namely the presence of all the members in office of the body holding the meeting as well as the presence of all the members in office of other corporate bodies entitled to attend the meeting pursuant to these Articles.

8. As far as possible, and without entailing a restriction on the effective elected representatives (taking into account the special appointment procedures provided for in these Articles): a) the lists referred to in Article 15, paragraph 2, when aimed at electing more than two Supervisory Board members (within each separate meeting and category) shall include no less than one-third of the candidates from members of the less represented gender category; (b) the lists referred to in Article 19, paragraph 8 are to include no less than one-third of the candidates from members of the less represented genre category.

ARTICLE 11 – Remuneration and Expenses

1. Remuneration for members of the Supervisory Board, the Management Board, the Board of Auditors, and the Advisory Committees referred to in Article 18, as well as any internal division they may have (committees and panels, study groups and similar), shall be determined in accordance with the powers and procedures provided for in these Articles of Association. The total compensation for members of the Supervisory Board, the Management Board, and the Advisory Committees referred to in Article 18, as well as any internal division they may have (committees and panels, study groups and similar), may not exceed, with regard to the annual period and including any attendance fees, the limit of 1% (one percent) of the value of the Society's income, as shown in the latest duly approved management report.

2. Reimbursement of expenses is strictly related to the role of members of the Supervisory Board, Management Board, the Board of Auditors, and the Advisory Committees as referred to in Article 18, and any internal division thereto (committees and panels, study groups and similar). In any event, such reimbursement may not exceed in total, in any year, the limit of 25% of the overall remuneration as determined in paragraph 1 above.

3. Remuneration of the independent auditors and other offices or bodies referred to in Articles 26, 27 and 28 shall be excluded from the total limits referred to in the above paragraph.

ARTICLE 12 – General Assembly

1. The General Assembly shall meet at least once a year subject to the provisions of paragraph 9, upon convening by the Management Board in order to: (i) receive and review the Supervisory Board report referred to in Article 16, paragraph 2, letter c) and proceed with any resolution thereon; (ii) receive and review the Management Board report pursuant to Article 28, paragraph 5 of Legislative Decree No. 35 of 15 March 2017 and proceed with any resolution thereon; (iii) discuss and proceed with any resolution on the matters referred to in paragraph 6.

2. The General Assembly shall also meet when: (i) the resolutions referred to in paragraph 7 are to be carried out; (ii) the Management Board deems it necessary, also upon the request of the Supervisory Board; (iii) a request is made by at least one-twentieth of the Members who are up to date with the payment of membership fees; or (iv) a request is made by a number of Full Members representing no less than one-twentieth of the royalties distributed by the Society during the previous financial year.
3. The General Assembly is to be convened by notice containing the agenda to be published in the Official Gazette of the Italian Republic, on the Society's website, and in at least one national newspaper, no less than forty days prior to the date set for the meeting.
4. The General Assembly meets in Rome or any other location indicated in the notice of meeting.
- 4-bis. The General Assembly may be held entirely online via audio/video connection, provided that the collegial method and principles of good faith and equal treatment of Members are respected. The notice of meeting must specify the procedures for participating in the Assembly and the deadline by which Full Members must register to attend. In the case of a hybrid format (partly online and partly in person), the notice must also specify the deadline by which Full Members must indicate their preferred mode of participation. These deadlines may not exceed six days.
5. The General Assembly is chaired by the Chairman of the Management Board.
6. The General Assembly, on the proposal of the Management Board, is to deliberate and pass resolutions on Society guidelines in relation to the following matters:
 - a. the general policy for distributing amounts due to rightsholders.
 - b. the general policy on the use of non-distributable amounts;
 - c. the general investment policy with regard to royalties and any revenue from the investment of rights revenue;
 - d. the general policy on deductions from rights revenues and any other revenue derived from investing such revenue.
7. The General Assembly: (a) appoints members of the Supervisory Board; (b) revokes appointments of Supervisory Board members; (c) resolves, if necessary, on the taking of liability action against members of the Supervisory Board.
8. Participation in the General Assembly does not give rise to any entitlement for remuneration or reimbursement of expenses incurred for the purpose of participation.

ARTICLE 13 – General Assembly Functioning

1. The General Assembly shall be held following a single call and deemed as regularly constituted irrespective of the number of Members and votes present, including proxy votes.
2. The Chairman may adjourn the proceedings of the General Assembly where the same deems it so advisable and where no less than one-third of those present raise no objection to such adjournment. In the event of an adjournment, the Chairman shall, at the same time, set the new date and time of the Assembly meeting to be adjourned. Any such adjournment may not be set down at a later date than fifteen days from that of the original assembly meeting. Again, in the event of adjournment, the necessary procedures to be carried out to enable participation in the General Assembly shall be repeated, without prejudice to the lists previously submitted as referred to in Article

5 (5). During the meeting, the Chairman, if the same deems it so appropriate, may suspend the activities for a short period, giving reasons for such decision.

3. The Chairman shall run the debate by giving the floor to the Members or their representatives, making such request. Each speaker is only entitled to make one speech on each item of the agenda. Likewise, it is up to the Chairman to intervene in order to prevent any form of abuse or conduct that does not comply with the orderly carrying out of the General Assembly Meeting and, to this end, the Chairman, at the opening of the meeting, may establish the maximum duration for each speech.

4. Voting shall take place by show of hands or by submitting an electronic or signed voting card, in accordance with ballot papers and procedures established by the Society. The procedures for the exercise of electronic voting are to guarantee, in particular, certainty that the vote originates from the person so entitled to vote. Votes cast on non-compliant ballot papers are null and void and not to be counted. Secret voting is not allowed.

5. For the purpose of counting votes, the Chairman may be assisted by an adequate number of scrutineers, preferably selected from: (a) members of the Management Board; (b) members of the Supervisory Board; (c) Society employees.

6. The Assembly meeting is attended by the current members of the Society's governing bodies, the

Chairman of the Supervisory Body referred to in Article 28 and the Chief Executive Officer.

7. At the invitation of the President, experts and journalists may also attend the General Assembly Meeting.

ARTICLE 14 – Assembly Meeting Resolutions

1. Full Members who are up to date with annual membership fee payments, where due, are entitled to participate in the General Assembly. The following provisions refer to each Section and category to which the Member belongs and for which such Member is entitled to vote.

2. Any Full Member who is also a rightsholder as specified in Article 4 (1), a) of these Articles of Association shall be entitled to cast, in the taking of Assembly resolutions, at least one vote and a further vote for each Euro (rounded down if necessary), resulting from copyright royalties received as a Full Member, from payments made by the Society during the previous financial year. Any Full Member falling within the scope of Article 4 (1), b) of these Articles of Association, shall only be entitled to cast one vote irrespective of the amounts received as a Member from payments made by the Society during the previous financial year. This same limitation referred to in the previous sentence, shall apply to companies, public bodies or entities belonging to the same group as the Full Member referred to in Article 4 (1), b); for such purpose companies, public bodies or entities belonging to the same group shall be construed as companies, public bodies, or entities of whatever nature, controlled, or controlling or subject to common control pursuant to Article 2359, No. 1, of the Italian Civil Code.

3. Under no circumstances may any Full Member cast more than one-fortieth of the possible votes that may be expressed at each individual vote taking, whether general or separate, as referred to in Article 15 (4), a) to l). The same limitation referred to in the preceding sentence shall apply to companies, public bodies, or entities (in the publishing category) belonging to the said same group, and for this purpose: (i) companies, public bodies or entities belonging to the same group are companies, public bodies, or entities, of whatever nature, whether controlled or controlling or subject to common control pursuant to Article. 2359, No.1, of the Italian Civil Code, or in any case companies, public bodies or entities falling within the scope of Article 2497 bis, second or fourth paragraph, of the Italian Civil Code; and (ii) such companies, public bodies or entities shall be considered as a single Full Member and, therefore, overall subject to the voting limitation established by virtue of the

first sentence of this paragraph; it being understood that (in the same case) each subject belonging to any specific group shall be subject to a proportionate reduction in the number of votes until the overall limitation specified in the first sentence of this paragraph is attained.

4. For the purposes of participating in the General Assembly, each Member must have previously collected an admission ticket to the same, also electronically, prior to the General Assembly and in accordance with the procedures set out in the notice convening the said same General Assembly Meeting; such ticket shall state the number of votes to which any Full Member is entitled.

5. Each Full Member entitled to vote may be represented in the General Assembly in accordance with the law, either by written proxy or by electronic proxy, following the procedures specified in the Regulation referred to in Article 37.

6. No representative may hold more than ten proxies.

7. Members of the Society governing bodies, and Advisory Committees referred to in Article 18 in addition to Society employees (including those holding the offices referred to in Articles 26, 27 and 28) may not act as representatives.

8. Any disputes concerning the right to participate in the General Assembly, or the number of votes assigned to any individual Full Member, shall be decided by the Chairman prior to the commencement of the proceedings. The Chairman shall make a brief reference to the issue in dispute and the relative decision taken, the same to be duly recorded in the Minutes referred to in paragraph 11.

9. The resolutions referred to in Article 12(7) (a) shall be approved in accordance with Article 15 below. The resolutions referred to in Article 12 (7), b) and c), are approved with the favourable vote of no less than one-fifth of the total votes that may be cast.

10. Resolutions other than those indicated in paragraph 9 above are to be passed by absolute majority of the votes cast.

11. The resolutions of the General Assembly are to be recorded in the Minutes, duly signed by the Chairman and the Secretary of the General Assembly. The Secretary, who is required to be a notary, is appointed on each occasion by the Chairman.

ARTICLE 15 - Composition of the Supervisory Board

1. The Supervisory Board consists of a variable number of members ranging from a minimum of thirty-two (32) to a maximum of forty-two (42). The members of the Supervisory Board are to remain in office for four years and may not be reappointed to the same body more than once; a term is considered fulfilled if it includes at least half plus one of the days constituting the four fiscal years.

2. The first thirty-two members are appointed in accordance with paragraphs 3 to 8 herein below. Additional members shall be appointed, provided the required conditions are met, in accordance with the provisions referred to in paragraph 9.

3. The first thirty-two members shall be appointed by the General Assembly in order to ensure:

(i) that the representation of authors, on the one hand, and publishers, on the other, is equal (and therefore half represent the authors and half represent the publishers); and, at the same time,

(ii) that the following are represented, provided that there are Full Members entitled to vote in the Section concerned: at least one author and one publisher selected from the Music Section; at least one author and one publisher selected from the Cinema Section; at least one author and one

publisher selected from the DOR Section; at least one author and one publisher selected from the Opera Section; at least one author and one publisher selected from the OLAF Section.

4. Members of the Supervisory Board shall be elected by separate vote cast by:

- a) Full Members from the authors category within the Music Section;
- b) Full Members from the publisher category within the Music Section;
- c) Full Members from the authors category within the DOR Section;
- d) Full Members from the publisher categories within the DOR Section;
- e) Full Members from the authors category within the Opera Section;
- f) Full Members from the publisher category within the Opera Section;
- g) Full Members from the authors category within the OLAF Section;
- h) Full Members from the publisher category within the OLAF Section;
- i) Full Members from the authors category within the Cinema Section;
- l) Full Members from the publisher category within the Cinema Section.

5. The separate vote referred to in paragraph 4 above shall be taken on the basis of lists of candidates submitted in the following manner, under sanction of being declared null and void:

- a) each Full Member entitled to vote may submit for the Section and category to which such member belongs, a list of candidates in progressive numerical order:
- b) natural persons, Full and non-Full Members, who are not subject to the conditions set out in Article 2382 of the Italian Civil Code may be candidates, provided the same have not been excluded by the Society pursuant to Article. 6, and against whom no proceedings are pending for the application of one of the interim precautionary measures provided for by Legislative Decree No. 159 of 2011 and subsequent amendments thereto;
- c) a candidate may only appear on one list, under sanction of ineligibility;
- d) each list consists of no less than eleven candidates, together with respective surname, name, place and date of birth;
- e) the lists are to be filed no less than twenty days prior the General Assembly meeting, convened to pass a resolution on the appointment of the Supervisory Board, such lists must bear the authenticated signature of the Full Member responsible for submitting any such list;
- f) together with each list, statements shall be filed bearing duly authenticated signature, whereby the individual candidates: (i) accept their candidacy and assigned position in the list; (ii) certify, under their own responsibility, that they meet the requirements set forth in letter b) above.

6. No Full Member may submit or vote on more than one list for each Section and/or category to which such Member belongs.

7. The votes cast for the lists shall then be divided by one, two, three, four, five, six, etc. The quotients thus obtained shall be assigned to the candidates according to their respective position number on each of these lists. The quotients thus attributed to the candidates on the various lists, in the separate votes referred to in paragraph 4 above, shall be arranged in a single decreasing order. Candidates that obtain the highest quotients shall be elected subject to compliance with the provisions referred to in paragraphs 2 and 3 above.

8. Where several candidates have obtained the same quotient, the candidate to be elected shall be the one on the list from which either no director has yet been elected or the smallest number of directors has been elected. Where none of these lists has yet elected a candidate, or all such lists have elected the same number of candidates, the candidate from the list obtaining the highest number of votes shall be elected. In the event of an equal number of list votes with the same quotient, a second vote shall be taken involving the full General Assembly. The candidate who obtains a simple majority of votes shall be elected. The aforesaid is subject to due compliance with the provisions of paragraph 3 above.

9. For those Sections that have a positive operating margin, based on the results of the analytical accounting procedure referred to in Article 35, two further members shall be elected (one as representative of the authors and one as representative of the publishers, producers, licensees, or assignees). The aforementioned members shall also be taken from the ranking list referred to in paragraph 7 of this Article, again in accordance with the provisions referred to in paragraph 3(i) of this Article.

10. Where no candidate lists are submitted or in the event that any lists duly submitted fail to include a sufficient number of candidates to fill all seats on the Supervisory Board, the General Assembly Meeting shall proceed to appoint the number of members so required on the basis of the candidacies proposed at the Meeting and approved by a relative majority of votes. This, subject to due compliance with the provisions referred to in paragraph 3 above.

11. Where one or more members of the Supervisory Board appointed by the General Assembly Meeting cease from office prior to the end of the four-year term, the Supervisory Board may co-opt the same number of members, in compliance with the provisions referred to in paragraph 3 above. For such purpose, the Supervisory Board shall give priority to any candidates that may be on the list, from which the former director was drawn, at the time of election, and who still fulfill Supervisory Board membership requirements.

12. Co-optation is valid with the participation of no fewer than half of the members currently holding office. The members thus co-opted shall remain in office until the end of the current four-year period.

13. Where for any reason the number of Supervisory Board Members is reduced to fewer than half the original number, the entire Supervisory Board shall lapse and be renewed in full. In such event, the Management Board shall immediately proceed to convene the General Assembly Meeting.

14. The members of the Supervisory Board shall cease to hold office in case of unjustified absence from two consecutive meetings of the Supervisory Board. Grounds for absence may be considered: illness, cases of compulsory abstention from work, reasons relating to the family or cohabitants of the absentee, professional activity which objectively prevents taking part to the meeting. The scrutinising of the justifications, which must be communicated by the interested party by the date of the meeting to which they refer, is carried out from time to time by the President of the Supervisory Board in conjunction with the Chief Executive Officer. In the event that the cause for revocation is recurrent, it shall be decided by the first useful Supervisory Board meeting, including the one during which the cause for revocation is detected, without the need for the subject to be put on the agenda.

ARTICLE 16 – Supervisory Board Powers and Duties

1. The Supervisory Board:

a) appoints and revokes the appointment of its President and Vice-President, in accordance with the provisions referred to in Article 17; and also appoints, even outside its scope and with

duration until revocation (but in any case, for a period not exceeding the duration of the Supervisory Board that appointed it), an Honorary Chairman of the Society;

- b) appoints and dismisses Management Board Members;
- c) establishes the remuneration of the President and of the members of the Management Board, in accordance with the limits set out in Article 11;
- d) appoints the members of the Board of Auditors and may revoke any such appointment for just cause, without prejudice to the provisions set out in Article 24 (2);
- e) establishes the remuneration of all members of the Board of Auditors;
- f) assigns such task to the independent firm of auditors and establishes the remuneration due for the same, in accordance with the manner set out in Article 25 (2);
- g) approves, upon the proposal of the Management Board, the membership terms and conditions referred to in Article 3;
- h) approves, upon the proposal of the Management Board, the economic terms and conditions set out in Article 30 (2) letter b).
- i) upon the proposal of the Management Board, and in any event, without prejudice to the liability of the Management Board for actions taken, the Supervisory Board shall deliberate and pass resolutions on any detailed conditions relating to matters referred to in Article 12 (6), including the deduction or compensation for proceeds arising from royalties or other income arising from their investment in management expenses;
- l) upon the proposal of the Management Board, and in any event without prejudice to the liability of the Management Board for actions taken: (i) approves the criteria relating to the Society taking out or granting loans or the provision of security for the same; ii) approves risk management policy; (iii) approves any purchase, sale or mortgage of real estate; (iv) approves alliances, as well as the establishment of bodies of any nature, subsidiaries, economic groups of European interest, foundations or associations, whether in Italy or abroad, and/or decides upon the acquisition of other entities, equity investments and/or rights in other entities, including other collective management organisations or independent management entities;
- m) deliberates and passes resolutions upon the Society's industrial and strategic plans as set out by the Management Board, without prejudice to liability on the part of the latter for actions taken;
- n) approves the budget forecast and the management report, and decides on any disbursements referred to in Article 2, paragraph 2;
- o) approves the annual transparency report and the special report referred to in Article 36;
- p) brings liability actions against Members of the Management Board, the Board of Auditors and the Chief Executive Officer;
- q) deliberates and passes resolutions on individual transactions submitted by the Management Board for their approval, and in any event, without prejudice to the liability of the Management Board for actions taken;
- r) deliberates and passes resolutions on the adoption of specific procedures in order to avoid conflicts of interest and, where such conflicts are not avoidable, to implement procedures for the identification, management, monitoring and disclosure of actual or potential conflicts of interest; such procedures are carried out to prevent any conflict from adversely affecting the collective interests of rightholders represented by the Society;

s) approves, upon proposal of the Management Board, the requirements set out under Article 4 (2) and Article 7 (2);

t) approves and amends, upon the proposal of the Management Board, the Regulations referred to in Article 37;

u) deliberates and passes resolutions on amendments to the Articles of Association;

v) adopts any other resolution on a matter falling within the competence of the Supervisory Board by virtue of these Articles of Association.

2. Without prejudice to the provisions referred to in paragraph 1 above, the Supervisory Board is to ensure the constant control and monitoring of the carrying out of duties, and related key implementation activities, established by the Management Board. In this regard, the Supervisory Board: a) receives from the Management Board Chairman, or his delegate, regular periodic information on Society activities and resolutions adopted by the Management Board; (b) receives the Management Board report drawn up by the Management Board Chairman, as referred to in Article 28 (5) of Legislative Decree No. 35 of 15 March 2017; and (c) renders a specific report to the General Assembly Meeting on the exercise of its powers, in accordance with the provisions at the beginning of this paragraph.

3. Resolutions passed by the Supervisory Board are approved by a simple majority of attendee members, except for resolutions relating to the provisions referred to in Article 19 for the election of Management Board Members, and for resolutions referred to in paragraph 1 above, t) and u). In such cases, approval requires a two-third majority of Supervisory Board Members. In the event of an equal number of votes, the proposal put to the vote shall be deemed to have been rejected.

4. The Supervisory Board is to meet regularly and, in any event, not less than twice a year, or whenever its Chairman deems it appropriate, for the purpose of carrying out the powers attributed to the Supervisory Board under this Article. The Supervisory Board shall also meet upon the request of one-third of its members.

5. The convening of the Supervisory Board is to be made no less than seven days prior to any such meeting. Such notice, including the agenda, is delivered by the Chairman. The above is without prejudice to the provisions of Article 10 (4) and (5).

6. The Board of Auditors members, the Chairman of the Supervisory Body referred to in Article. 28, and the Chief Executive Officer are to attend the Supervisory Board meetings. Such meetings may also be attended by the Management Board.

7. The Supervisory Board meetings are carried out, *mutatis mutandis*, in accordance with the provisions of Article 13 (1-4).

8. The Chief Executive Officer of the Society designates, from time to time or with a provision even permanent but always changeable, the person appointed to perform the functions of secretary of the Supervisory Board.

9. The deliberations and resolutions passed by the Supervisory Board are recorded in Minutes and duly signed by its Chairman and Secretary.

10. The Supervisory Board Members are, *mutatis mutandis*, subject to Article. 20, including the issue of declarations provided for therein.

ARTICLE 17 – Chairman of the Supervisory Board

1. The Chairman of the Supervisory Board is elected among the Directors selected from the lists referred to in Article 15 (4), (a), (c), (e), (g) or (i).

2. The Chairman of the Supervisory Board convenes and chairs the Board. In the event that the Chairman is absent or unable to attend, the duties of the Chairman shall be carried out by the Vice-Chairman. In the event that the Vice Chairman is absent or unable to attend, the duties of the Chairman shall be carried out by the most senior member of the Board.

ARTICLE 17-bis – Honorary President

1. The Supervisory Board, acting by a simple majority, may appoint an Honorary Chairman. The Honorary Chairman must be an author and must be chosen from among the copyright personalities who have contributed to the success and growth of the Society.

2. The Honorary President has no management functions of the Society, nor powers or functions of legal representation. The Honorary President: (i) has the right to attend (without the right to vote) the meetings of the Management Board and the Supervisory Board; (ii) has the right to attend the General Assembly which he/she may also chair if requested by the Management Board; (iii) at the request of the Management Board or the Supervisory Board, or in any case in agreement with these bodies or with the General Manager, may perform communication and representation functions of the Society or of the related requests to protect the Society itself or the copyright in social, cultural or scientific events in compliance with the absence of interference in the Society's management activities. The Honorary President shall not receive any remuneration for his/her office. The above is without prejudice to the reimbursement of the expenses incurred by the same for the performance of the related assignment. The Supervisory Board may always revoke the Honorary President. The Honorary President ceases to hold office in any case together with the Supervisory Board that appointed him/her.

ARTICLE 18 – Advisory Committees

1. There are the following five Advisory Committees within the Supervisory Board: Music Committee; Opera Committee; OLAF Committee; Cinema Committee and DOR Committee.

2. The Advisory Committees shall lapse, and new members shall be appointed following the election of a new Supervisory Board.

3. Each Advisory Committee consists of no less than four members and no more than twelve members. Unless otherwise resolved by the Supervisory Board with a two-thirds majority of the members of the Supervisory Board itself, the Advisory Committees are comprised of as follows: Music, 12 members; Cinema, 8 members; DOR, 6; OLAF, 4 members; Opera, 4 members.

4. No less than half of the members of the Committees must also be members of the Supervisory Board, unless, in the Supervisory Board itself, sufficient members of the relevant section have not been appointed. Each Advisory Committee shall consist of authors and publishers' representatives in accordance with the following principle: the number of members representing authors, on the one hand, and publishers, on the other, is to be established in proportion to the revenues (collected on behalf of authors and publishers respectively) for the Section to which the Committee refers. The above is subject to the further limitation that the number of members representing publishers is not to exceed the number of members representing authors. In the event that there are no publishers in a given section, the Committee in question shall be comprised of only authors..

5. Members of each Advisory Committee shall be, without prejudice to the provisions of paragraphs 3 and 4 above, the candidates for election to the Supervisory Board who obtained, in the corresponding lists referred to in Article 15 (4), the highest quotients referred to in Article 15 (7), and therefore, first and foremost, they are selected from those members elected to the Supervisory Board with the highest quotients. Should any member of the Advisory Committee cease to hold office prior to the expiry date of the four-year term, the Supervisory Board shall replace such member, taking into consideration other candidates on the list who possess the requisites required to become

members of the relevant Advisory Committee. In the absence of eligible candidates on the lists, the Supervisory Board shall decide on any appointment by taking its own resolution in this regard.

6. Each Advisory Committee shall elect a Chairman and a Vice-Chairman from among its members.

7. The opinions rendered by Advisory Committees to the Management Board, while mandatory, are not binding in relation to the criteria to be adopted for the distribution of royalties and the calculation of remuneration for the exploitation of works assigned to the relevant Committee; furthermore, Committees shall carry out any additional investigative and advisory duties as established by the Supervisory or Management Board.

8. An Advisory Committee meeting shall be valid provided that the majority of its members is present.

9. Each Committee shall adopt a resolution approved by an absolute majority of those present.

10. The payment of remuneration to Committee members, who are not also members of the Supervisory Board, is established in accordance with the provisions referred to in Article 11 above.

11. The members of the Committees shall cease to hold office in the event of unjustified absence from two consecutive meetings of the relevant Committee. Grounds for absence may be considered: illness, cases of compulsory abstention from work, reasons relating to the family or cohabitants of the absentee, or professional activity which objectively prevents taking part in the meeting. The scrutinising of the justifications, which must be communicated by the interested party by the date of the meeting to which they refer, is carried out from time to time by the President of the Supervisory Board in conjunction with the Chief Executive Officer. In the event that the cause for revocation is recurrent, it shall be decided by the first useful Supervisory Board without the need for the subject to be put on the agenda.

ARTICLE 19 - Composition of the Management Board.

1. The Management Board consists of five members, including the President of the Society, all duly elected by the Supervisory Board.

2. Full and non-Full Members may be on the Management Board subject to compliance, in each case, with that provided by paragraphs 3 to 6 below.

3. Serving as a member of the Management Board is incompatible with that of being a member of the Supervisory Board and a member of the Advisory Committees as referred to in Article 18 above.

4. Members of the Management Board must possess the requisites referred to under Article 15 (5), (b), in addition to those relating to the integrity of individuals, performing administrative roles in a company with shares listed on a regulated market, as established by Article 147-quinquies of Legislative Decree No. 58 of 1998 and subsequent amendments thereto.

5. Candidates for appointment as members of the Management Board shall be selected from among experts in law, economic and/or business disciplines, or specialists in areas pertaining to the Society's activities.

6. Management Board members shall be subject to the provisions of Article 20.

7. Management Board members, including its Chairman, shall remain in office for a four-year term and may not be reappointed to the same body more than once; a term is considered fulfilled if it includes at least half plus one of the days constituting the four fiscal years. It is acknowledged that the constitution of the Management Board, and the duration of the relative appointment, shall commence from the adoption date of the provision referred to in Article 23, paragraph 1.

8. Management Board members shall be elected from the lists submitted by at least one member of the Supervisory Board. Any such lists are to be duly filed at the Society's registered office at any time until the commencement of the Supervisory Board meeting, convened to proceed with the election of said members.

9. No list may contain fewer than three candidates, listed by consecutive numbering. No candidate may appear on more than one list.

10. Each member of the Supervisory Board may only submit one list.

11. Each Supervisory Board member may only vote for one list.

12. The election shall proceed as follows: the votes obtained from each list shall subsequently be divided by one, two, three, four and five. The quotients thus obtained shall be consecutively assigned to the candidates from each of these lists, according to the aforementioned order. The resultant quotients shall be allocated to the candidates on each list in decreasing ranking order. Those candidates who obtain the highest quotients shall be elected. In the event that several candidates obtain the same quotient, the candidate on the list that obtains the highest number of votes shall be elected. In the event of two or more lists with an equal number of votes and quotients, a new vote will be taken by the full Supervisory Board. The candidate who obtains a simple majority of votes shall be elected.

13. In the event that no candidate lists are submitted, or that any lists submitted do not contain a sufficient number of candidates to fill all seats on the Management Board, the Supervisory Board shall proceed to fill any vacant seats, on the basis of candidacies put forward during the Supervisory Board meeting, and duly approved by a relative majority of votes.

14. The first candidate on the list having obtained the highest number of votes, is appointed Chairman in accordance with the procedure set out in Article 23. In the event that no list of candidates is submitted or where, for any reason, it appears necessary to replace the Chairman in office for the remainder of the four-year term, the new Chairman shall be appointed by the Supervisory Board on a relative majority of votes.

15. The Management Board appoints its own Vice Chairman from members of the same.

16. In the event that the Chairman of the Management Board is absent or unable to attend, his duties shall be carried out by the Vice-Chairman.

17. In the event that the Vice-Chairman of the Management Board is absent or unable to attend, his duties shall be carried out by the senior member of the Management Board. For the purposes of applying this paragraph, relevant seniority is that of office; where there is equal seniority of office, seniority in terms of age shall apply.

18. If one or more members of the Management Board cease to hold office for any reason, their positions

are to be filled by co-optation at the first available meeting.

19. For the purposes of co-optation, the Management Board must first take into account the presence of other candidates on the list, from which the Board Member no longer in office was selected at the time of election, and who still satisfy the requirements to become Management Board members.

20. Co-optation shall be valid with the participation of no less than half the number of members currently in office. Members thus co-opted shall remain in office until the end of the present four-year term.

21. If for any reason, the number of members on the Management Board falls to less than half the original number, the full Board shall cease to hold office and be renewed in full.

ARTICLE 20 - Requirements and responsibilities of the Members of the Management Board.

1. Unless authorised by the Supervisory Board, members of the Management Board: (i) may not be partners in competing entities or commercial activities giving rise to and/or implying any permanent conflict of interest (other than as an Full or a Mandate member for the management of their own copyright) with the Society, nor engage in a competing activity (or commercial activity giving rise to and/or implying any permanent conflict of interest with the Society) on their own behalf or on behalf of third parties, nor be officers or Chief Executive Officer in competing entities or commercial activities giving rise to and/or implying any permanent conflict of interest (other than as an Full or a Mandate Member for the management of their own copyright) with the Society; (ii) may not, in any case, hold or have held office within the three years previous thereto (on the SIAE Management Board) as officers or directors (whether or not vested with representative and/or executive powers) or as Chief Executive Officer in any other collective management organization or independent management entity (Italian or foreign) operating in the copyright or related rights field.

2. In the event of non-compliance with the prohibition set out in paragraph 1 above, Management Board members shall cease to hold office, and shall in any case be removed for just cause by the Supervisory Board, without the need for any further justification.

3. Management Board members must fulfil the legal obligations imposed on them both by the law and these Articles of Association, performing the same with all due diligence as required by the nature of the office and their particular expertise. The aforesaid shall carry out their activities in accordance with the principles of sound and prudent administration, in relation to: administrative and accounting procedures; internal control procedures provided for by these Articles of Association; and in due compliance with the principles laid down for SIAE activities, as a collective management organization, pursuant to Legislative Decree No. 35 of 15 March 2017.

4. The liability of Management Board members, jointly and severally, is governed by Article 2392 of the Italian Civil Code.

5. Each member is to inform all members of both the Management Board and the Board of Auditors as regards any interest they may have, whether on their own behalf or on behalf of third parties, in any given Society business deal, specifying the nature, terms, origin and scope of the same. Where there is a conflict of interest involving the majority of the Management Board, the entire Board shall abstain from carrying out the aforementioned business deal, vesting the responsibility for the same to the Supervisory Board.

6. In the cases envisaged under paragraph 5, the resolutions adopted by the Management or the Supervisory Board, are to adequately justify the reasons and convenience of such business deal for the Society.

7. Management Board members shall be liable for damage caused to the Society by any act or omission on their part. They shall also be liable for any damage caused to the Society by the use, for their own benefit or that of third parties, of data, information and/or business opportunities acquired in the carrying out of their duties.

8. Without prejudice to the further procedures specifically provided for the management of any conflict of interest, Management Board members shall annually submit to the Society a personal statement containing the following information:

a) any potential conflicts of interest with the Society;

- b) any remuneration received during the course of the previous financial year from the Society, including those in the form of pension schemes, benefits in kind and/or other types of benefits;
 - c) any amounts received in the course of the previous financial year from SIAE as rightholders. In the case of publishers, these are the amounts received through the company/companies or entity/entities of the publisher/publishers represented, including the corporation to which said companies or entities belong;
 - d) a statement of any actual or potential conflict of interest between personal interests and those of the Society or between the obligations towards the latter and any other natural or legal person.
9. The statements referred to in paragraph 8 are to be published on the SIAE website.

ARTICLE 21 - Functioning of the Management Board.

- 1. The Management Board shall meet no less than six times a year, upon convocation by its Chairman.
- 2. The Board shall also be convened by the Chairman whenever the same deems it so necessary, or following the request of no less than two Board members.
- 3. Management Board meetings shall be valid provided the majority of its members are present.
- 4. Resolutions shall be valid if adopted with a majority vote of those present; in the event of an equality of votes, the Chairman holds the deciding vote.
- 5. Management Board meetings, in addition to the Chief Executive Officer, are also attended by the members of the Board of Auditors, and the Chairman of the Supervisory Body as provided for in Article 28.
- 6. The Society Chief Executive Officer shall designate, from time to time or with a provision even permanent but always changeable, the person appointed to perform the functions of secretary of the Supervisory Board.
- 7. Management Board deliberations and resolutions shall be recorded in the Minutes signed by both the Chairman and the Secretary.

ARTICLE 22 - Management Board Powers and Duties.

- 1. The Management Board:
 - a) sets out the general guidelines for the management of the Society and oversees due compliance with the same on the part of the Chief Executive Officer;
 - b) proposes to the Supervisory Board, for their approval, the financial arrangements referred to in Article 30 (2), letters b);
 - c) sets out the initiatives that are to be taken in the general interest of the Society and for the pursuit of its institutional purposes, including reasonable initiatives and/or measures to ensure compliance with Article 22 (5-6) of Legislative Decree No. 35 of 15 March 2017;
 - d) deliberates and adopts resolutions, subject to the mandatory yet not binding opinion of the relevant Advisory Committees, regarding the criteria for the distribution of royalties and the amounts payable to rightholders for exploitation of protected works, notwithstanding the provisions of Article 22 (1 -4) of Legislative Decree No. 35 of 15 March 2017, concerning the principles for the granting of licenses;
 - e) draws up the Society's business and strategic plans;

- f) authorises, for due submission to the Supervisory Board and approval by the same, the following documents: draft budget estimate and draft annual management report, along with the transparency report and the special report drawn up by the Chief Executive Officer pursuant to Article 36;
- g) monitors the general trend of SIAE expenditure and financial management;
- h) deliberates and adopts resolutions on applications for membership, pursuant to Article. 4 (3);
- i) establishes whether or not there are grounds for termination of membership, as referred to in Article 6 (2);
- l) deliberates and adopts resolutions on disqualification from the Society, as referred to in Article. 6 (3);
- m) deliberates and adopts resolutions on the establishment of secondary offices, representative offices and/or regular offices, pursuant to Article. 1, paragraph 4, subject to the provisions of letter (c) above;
- n) appoints and dismisses the Society's Chief Executive Officer and establishes the legal status and remuneration for such office;
- o) appoints and dismisses the person responsible for internal control and establishes the legal status and remuneration for such office;
- p) appoints, taking into account the designation of the Supervisory Authorities, the members of the Supervisory Body as referred to in Article. 28, and establishes remuneration for the same;
- q) approves, upon a proposal by the Chief Executive Officer, the Regulations referred to in Article 38(1)/paragraph 1 of Article. 38 and any amendments thereto;
- r) proposes to the Supervisory Board (i) the terms and conditions for membership referred to in Article. 3; (ii) the requirements referred to in Article 4 (2) and Article 7 (2); (iii) the detailed rules referred to in Article 16 (1), i);
- s) also proposes to the Supervisory Board: (i) the criteria concerning the borrowing and lending activities carried out by the Society and/or the provision of guarantees for the same; (ii) the policy risk management; (iii) the purchase, sale or mortgage of real estate; (iv) the formation of alliances, and the establishment of entities of any nature, subsidiaries, economic groups of European interest, foundations and/or associations, in Italy and abroad, and/or the acquisition of other entities and/or of interests or rights in other entities, including other collective management organisations or independent management entities;
- t) approves and submits, by 30 June of each year, to Parliament and the Supervisory Authorities as referred to in Article 1 (3), of Law No. 2 of 9 January 2008, an annual report, drawn up pursuant to Article 28 (5) of Legislative Decree No. 35 of 15 March 2017, on the results of the activity carried out, pertaining to transparency and efficiency profiles;
- u) submits the report referred to in letter t) prior to the Supervisory Board meeting, as referred to in Article 16 (2)(b);
- v) takes all reasonable steps to comply with Articles 14, 15, 16, 17, 18 and 19 of Legislative Decree No. 35 of 15 March 2017, relating to the following: (i) collection and use of rights revenue; (ii) deductions and management expenses; (iii) social, cultural, and educational services; (iv) distribution to rightholders; (v) identification of rightholders; (vi) non-distributable rights.
- z) adopts any other resolutions that may be attributed to the competence of the Management Board by these Articles of Association and/or the Regulations referred to in Articles 37 and 38.

2. The Management Board may delegate to the Chief Executive Officer the carrying out of duties other than those referred to in letters a), c), f), g), n), p), q), r), s), t), u) and v) above.

3. In the carrying out of their duties, the Management Board and the Chief Executive Officer shall observe, inasmuch as the same are so delegated the general policy resolutions adopted by the General Assembly, as well as the resolutions passed by the Supervisory Board on matters falling within competence of the same.

ARTICLE 23 - Management Board Chairman.

1. Subject to the designation of the Supervisory Board pursuant to Article 19 (14), the Chairman of the Management Board is appointed from among its members as President of the Society by Presidential Decree, upon proposal of the President of the Council of Ministers, in consultation with the Minister for Cultural Heritage and Activities and the Minister of Economy and Finance.

2. The Management Board Chairman shall act as the President and legal representative for the Society. The President may delegate to the Chief Executive Officer the power to represent the Society before third parties and in legal proceedings, both with reference to the matters delegated to the said Chief Executive Officer pursuant to Article 22 (2) and Article 26 (4), and to the matters falling within the competence of the Chief Executive Officer as referred to in Article 26.

3. The Management Board Chairman convenes and chairs the General Assembly (and the Assembly of Delegates, where appointed) and the Management Board.

ARTICLE 24 - Board of Auditors.

1. The Board of Auditors consists of three permanent members and two alternates.

2. A permanent member, acting as Chairman and an alternate member shall be designated by the Ministry of Economy and Finance.

3. The remaining two permanent members and the other alternate member shall be appointed upon the due resolution of the Supervisory Board.

4. At least two permanent members and one alternate shall be selected from among those subjects entitled to carry out the statutory audit of accounts and enrolled with the special register pursuant to Legislative Decree No. 39 of 2010 and subsequent amendments thereto.

5. The remaining members, if not enrolled with this register, shall be selected from among full-time university professors in economics or law or from managers at the Ministry of Economy and Finance.

6. Members of the Board of Auditors hold office for a four-year term and may only be re-elected once.

7. Members of the Board of Auditors are subject to the limits with respect to the number of offices held by any member pursuant to Article. 148-bis of Legislative Decree No. 58 of 1998, and subsequent amendments thereto.

8. The Board of Auditors:

- a) ensures compliance with the law and these Articles of Association;
- b) ensures compliance with the principles for the correct administration of the Society and, in particular, with regard to the adequacy of the organizational, administrative and accounting arrangement adopted by the Society for the proper functioning of the same;
- c) exercises the powers pursuant to Article. 2403-bis of the Italian Civil Code;

d) attends the General Assembly, Supervisory Board, and Management Board meetings.

9. The Board of Auditors shall submit a copy of the Minutes to the Management Board Chairman, Supervisory Board Chairman, completed with a summary of information for the respective Boards, as well as to Chief Executive Officer, and the Supervisory Authorities.

10. The provision referred to in Article 2405, (2), of the Italian Civil Code is applicable for auditors. The revocation provided for therein shall also apply in the event of non-participation in the Supervisory Board without justified reason or, during a financial year, in the event of non-attendance of two consecutive meetings of the Supervisory Board.

ARTICLE 25 – Statutory Auditing

1. The statutory audit is carried out by independent Auditors enrolled with the special register pursuant to Legislative Decree No. 39 of 2010, and subsequent amendments thereto.

2. The independent Auditors are appointed by the Supervisory Board upon the motivated proposal of the Board of Auditors. The term of such appointment shall be for three financial years.

3. The Supervisory Board shall also establish the remuneration for the entire duration of such appointment, together with any remuneration adjustment criteria for the same.

4. The Statutory audit shall be carried out pursuant to the principles set out in Legislative Decree No. 39 of 2010, and subsequent amendments thereto.

5. The Statutory audit shall also include the annual transparency report in accordance with Article 36.

6. The Board of Auditors and independent Auditors shall exchange relevant information without undue delay in relation to the completion of their respective assignments.

ARTICLE 26 – Chief Executive Officer

1. The Chief Executive Officer shall be appointed and dismissed by the Management Board, from among subjects with proven experience in administration and management.

2. The Management Board shall establish, at the time of the aforementioned appointment, the nature,

duration and substance of the relationship between the Chief Executive Officer and the Society. The duration of the relationship may be indefinite or fixed; in the latter case, it may not exceed five years.

3. The Chief Executive Officer:

a. shall be in charge of the ordinary administration of the Society and the coordination of the activities of the offices under his direction; in addition, also due to the resolutions of the Management Board, he/she ensures that the organisational and accounting structure is adequate to the nature and size of the Society.

b. shall ensure the implementation of resolutions adopted by the Management and Supervisory Boards;

c. performs the functions referred to in Articles 16 (8), and Article 21 (6) of these Articles of Association;

d. shall exercise management, coordination and organisation functions in relation to the Society's managerial and non-managerial staff;

e. shall prepare and submit to the Management Board a draft budget estimate and draft annual management report, together with the draft transparency report and relative special report.

4. The Chief Executive Officer is liable for the legal representation of the Society for the matters delegated to him/her by the Management Board or by these Articles of Association. The Management Board may delegate to the Chief Executive Officer, by express resolution, the performance of further specific activities within the limits set out in Article 22 (2). In any case, the Chief Executive Officer reports to the Management Board and to the Board of Auditors at least every three months on the general performance of the management and its foreseeable evolution as well as on the operations of greater importance for their size or features carried out by the Society.

5. The Chief Executive Officer shall ensure that the Management Board and the Supervisory Board, in carrying out their respective functions, have access to the Society information and functions necessary for the performance of their duties.

6. The Chief Executive Officer is subject to the rules referred to in Article 20 including, inter alia, the issuance of statements provided for therein.

ARTICLE 27 – Internal audit office

1. The Society shall adopt both an internal audit (internal auditing) and risk management system consisting of rules, procedures, and organisational structures to facilitate the identification, quantification, management and monitoring of the main risks to which the Society may be exposed, as well as to ensure credibility, accuracy, reliability, and timeliness of information made available to the Society governing bodies in order to enhance their decision-making process.

2. The Internal Audit Office shall report to the Management and Supervisory Boards, no less than once every six months and, in any event, at the time of the approval of the annual management report, with respect to the activity carried out and the adequacy of the internal audit and risk management system.

3. The Internal Audit Office coordinates its activities with those of the Board of Auditors and the Supervisory Body, as referred to in Article 24 and Article 28 respectively, providing support for both of them also for internal audit purposes;

4. The Supervisory Board, upon proposal by the Management Board, may also establish a Control and Risk Management Committee, determining the remuneration, role, and responsibilities of the latter in accordance with the following principles.

5. The Control and Risk Management Committee shall consist of a maximum of four members (other than members of the Supervisory Board) and selected as follows: a member of the Management Board, an author, a publisher and a fourth member i.e., the Head of the Internal Audit Office. The President of the Board of Auditors or other auditor appointed by him shall attend Committee proceedings.

6. The Control and Risk Management Committee shall appoint a Chairman from among its members to govern convocation procedure for the same and, where necessary, the functioning of such Committee.

7. In the event that the Control and Risk Management Committee is established, the Head of the Internal Audit Office shall report to the same on his activities; the Control and Risk Management Committee shall be subject to the provisions of Article 27(2).

8. The Control and Risk Management Committee shall support, inasmuch as possible, the Management and Supervisory Boards in the exercise of their respective functions and helps to

ensure: (i) the safeguarding of Society assets with particular reference to ethical and reputational risks; (ii) compliance with laws, regulations, these Articles of Association and business processes, with specific reference to the principles set out in Articles 17 and 22 of Legislative Decree No. 35 of 15 March 2017; (iii) reliability of information provided to the Society governing bodies, Full Members and third parties. For the aforementioned purposes, the Control and Risk Management Committee may be called to attend governing body meetings.

ARTICLE 28 – Supervisory Body

1. The Management Board shall adopt and implement an organisational and management model to prevent criminal offences, pursuant to Legislative Decree No. 231 of 2001, and subsequent amendments thereto. For such purpose, a Supervisory Body shall be established, with independent powers for intervention and investigation.

2. The Supervisory Body referred to in Article. 28 (1 shall consist of three members. The Supervisory Body shall hold a four-year term of office, which may be renewed. Without prejudice to the following paragraph, the members shall be appointed by the Management Board, which shall also establish remuneration for the same.

3. The Supervisory Body Chairman shall be appointed by the Management Board upon the binding designation of the Supervisory Authorities and shall be selected from among the judges of the Court of Auditors subject to the designation of the same by the Court of Auditors Chairman.

ARTICLE 29 – Supervisory Authorities

1. The Society is subject to the supervision provided for under Law No. 2 of 2008 and subsequent amendments and additions thereto.

2. Payments received by SIAE for services rendered for the assessment and collection of taxes, duties, fees, and other dues on behalf of the State, as well as for affixing the SIAE anti - counterfeiting holographic sticker, respectively provided for by Articles 181, paragraph 2, and 181-bis of Law No. 633 of April 22, 1941, and subsequent amendments and additions thereto, are the subject of separate financial reporting in relation to the annual management report referred to in Article 33.

ARTICLE 30 – Revenues and Assets

1. The Society holds assets and liabilities, as well as rights and assets duly classified pursuant to the provisions of the Civil Code.

2. SIAE revenues consist of:

- a) Membership fees;
- b) the Society share and/or deductions for compensation due on the exploitation of protected works;
- c) fees payable to the Society for services rendered;
- d) income and any other form of revenue accruing to the Society from activities carried out;
- e) operating surpluses;
- f) disbursements, donations, and bequests.

3. In no event shall the Full Members (or other Society members) be entitled to the reimbursement of membership fees, nor shall they be entitled to any operating surplus or share in the Society's assets.

4. The Society's net assets of the Society consists of the minimum reserve, the extraordinary reserve, and any other reserves pursuant to law.
5. The minimum reserve is no less than Euro 10.000.000,00 (ten thousand).
6. In the event that the minimum reserve is reduced below the required level, for whatever reason, and/or by reason of accumulated losses carried forward from previous financial years, the Management Board shall convene a Supervisory Board meeting to which the following shall be submitted for approval:
 - (a) an extraordinary management report updated to a date no less than 60 days prior to such meeting, and
 - (b) a plan, even if a multiannual one, which appears suitable to allow the reinstatement of the minimum reserve.
7. The plan is to specify in detail the steps to be adopted for the reinstatement of the minimum reserve. An expert selected from entities, pursuant to Article. 2409-bis of the Italian Civil Code, is to certify as to the feasibility of such plan.
8. The provisions under Article. 33 concerning the management report shall be applied, mutatis mutandis, to the extraordinary management report. The explanatory memorandum to said report is to expressly state the reasons leading to the reduction in the minimum reserve below the limit referred to in paragraph 5 above.
9. The extraordinary report and relative plan, duly certified as referred to in paragraph 7 above, is to be submitted to the Supervisory Authority.
10. In the event of liquidation, dissolution, or transformation of the Society, and in accordance with the law, SIAE net assets shall be allocated for the benefit of the Full d authors and publishers, and for better protection and development of copyright in all its forms.

ARTICLE 31 -The financial year

The financial year is annual and corresponds to the calendar year.

ARTICLE 32 - Budget Estimate

1. Upon proposal of the Management Board, the Supervisory Board shall approve, by the end of November each year, the budget estimate relating to the following financial year.
2. The budget estimate provides a summary of expected revenue and expenditure for the following financial year.
3. The budget estimate is to be prepared by the Management Board, upon proposal of the Chief Executive Officer , no less than thirty days prior to the approval referred to in Article 32 (1) above and sent to the Board of Auditors for due preparation of the related report. The Board of Auditors report shall be issued within fifteen days of receipt of the aforesaid document, prepared by the Management Board.
4. The budget estimate, together with the Board of Auditors report, is to be forwarded to the Supervisory Board members no less than 15 days prior to the meeting convened for its approval.
5. During the course of the financial year to which the aforesaid budget estimate refers, the Society governing bodies shall undertake expenditure and investment commitments on the basis of the Society's specific requirements together with the economic and financial management trend. In any event, the said governing bodies shall take into account the limits set out in the budget estimate.

6. Once approved by the Supervisory Board, the budget estimate is to be submitted to the Supervisory Authorities.

ARTICLE 33 - Management report

1. At the close of each financial year and, in any case, within one hundred and twenty days prior to the end of the financial year, the Supervisory Board, upon proposal by the Management Board, shall approve the management report together with the Board of Auditors report.

2. The annual management report is to include the following documents: balance sheet, profit and loss account along with the explanatory notes. The annual management report is to be together with a Management Board report regarding management performance, highlighting the general state of affairs relating to SIAE and its main areas of activity, as well as future prospects, risks, and opportunities. Where appropriate, the said report is to also state the reasons for any deviation from the budget estimate.

3. The report is to portray the Society's assets and liabilities along with its financial position and the economic out-turn for the relative financial year in a clear, truthful, and correct manner.

4. The report is to be drawn up in the form of a financial statement pursuant to Book V, Title V, Chapter V, Section IX of the Italian Civil Code. It is therefore subject to the rules and criteria established in the above Civil Code with regard to the financial statements of public limited-liability companies.

5. The rights revenues and the profit arising from their investment are to be accounted separately from that of the Society's proceeds derived from other activities, and their relative administrative or other costs.

6. Without prejudice to the provisions of Article 33 (5) above, and unless otherwise so determined by the General Assembly or the Assembly of Delegates (if appointed), the rights revenues and the profit arising from their investment are to be deducted or offset against management expenditure up to the amount of said expenditure.

7. In any event, the annual management report is to be submitted together with a statement of current financial assets arising from copyright collections which are to be distributed. This statement is to include information on the flows and amounts pertaining to the said financial assets and is to form an essential part of the management report.

8. The annual management report is to be prepared by the Management Board, upon proposal of the Chief Executive Officer, no less than thirty days prior to the approval referred to in Article 33 (1) above and sent to the Board of Auditors and Independent Auditors for the preparation of the relative reports. The Board of Auditors report is to be issued no later than 15 days from receipt of the said Management Board document.

9. The annual management report, together with the Board of Auditors and Independent Auditors respective reports, are to be sent to the Supervisory Board members no less than fifteen days prior to the meeting convened for due approval.

10. In approving the annual management report, at least half of the operating surplus for the relevant financial year is to be allocated for the purpose of increasing the permanent reserve. The remaining amount is to be set aside for the purpose of increasing the extraordinary reserve; the above requirements are subject to the provisions of Article 2, paragraph 2

11. In the event that the financial year closes with a deficit, the report may carry forward any such losses, subject to providing the reasons whereby the said losses may be reduced or recovered during the following financial year.

12. In the event that by the close of the following financial year the losses carried forward have not been reduced by more than one-third, the Supervisory Board, which approves the report for that financial year, shall ensure that the deficit is covered through the allocation of the legal reserves available for such purpose or, alternatively, by drawing upon the extraordinary or permanent reserve. The aforesaid is to be without prejudice to Article 30 (6) above.

13. Upon the approval of the Supervisory Board, the annual management report, together with the relative supplementary reports, are to be sent to the Supervisory Authorities. The Supervisory Authorities shall approve the annual management report within 60 days of due receipt. The aforementioned term is to be suspended for the time interval between any requests for further elements or information and the Society's replies thereto. Once the above mentioned sixty-day deadline has expired, excluding any period of suspension, the management report is to be deemed as approved.

14. The budget estimates and annual management reports, together with the supplementary reports, are to be published on the SIAE website and be suitable for printing.

15. The annual management report is to be filed with the Italian Business Register.

ARTICLE 34 - Separate accounts.

1. Activities other than copyright management are accounted for in separate accounting reports, without prejudice to the provisions of the following paragraph.

2. Together with the approval of the management report referred to in Article 33, the Supervisory Board approves, upon proposal of the Management Board, the separate management report for the activities referred to in Article 2, paragraph 2, point ii), as well as the separate management report for the activities referred to in Article 29.

3. The reports referred to in paragraph 2 above are to be published on the Society's website. The annual separate management report relating to activities referred to in Article 29 above is to be subject to the same procedures as provided for under Article 33.

ARTICLE 35 - Analytical accounting by Section

1. The management report referred to in Article 33 is to contain the results of the analytical accounting for the Sections referred to in Article 8 (1).

2. The above analytical accounting is to be published on the Society's website and submitted to the Supervisory Authorities.

3. The criteria and processes adopted in the analytical accounting are established by the Regulation referred to in Article 37.

ARTICLE 36 - Annual Transparency Report

1. The Society shall draw up an annual transparency report, including the special report referred to in paragraph 3, for each financial year within eight months of the end of that year. The report shall be published on the Society's website where it shall remain publicly available for no less than five years.

2. The annual transparency report is to include at least the information pursuant to the Annex to Article 28 of Legislative Decree No. 35 of 15 March 2017.

3. The special report is to provide an account on whether the deducted amounts have been used for the purpose of providing social, cultural, and educational services and is to include at least the information on the matter pursuant to point 3 of the Annex to Article 28 of Legislative Decree No. 35 of 15 March 2017.

4. The accounting data included in the Annual Transparency Report are to be submitted for the opinion of the Board of Auditors and the independent accounting auditors to the Society referred to in Article. 25. The Board of Auditors opinion and the Independent Auditors report, and any comments thereon, are to be annexed in their entirety to the Annual Transparency Report. For the purposes of this paragraph, accounting data shall include the annual management report documentation and financial information pursuant to the Annex to Article. 28 of Legislative Decree No. 35 of 15 March 2017.

ARTICLE 37 - General Regulation and Code of Ethics

1. In relation to any matter not specifically provided for under these Articles of Association, the SIAE organization and operation may be governed by special regulations approved, upon proposal of the Chief Executive Officer, by the Management Board. The general regulation is to be published on the Society's website and notified to the Supervisory Authorities.

2. The members of the governing bodies, the Chief Executive Officer, the offices referred to in Article 28 and, more generally, the SIAE employees and collaborators are required to comply both with the Code of Ethics, adopted by the Society and [also pursuant to] Legislative Decree No. 231 of 2001, and subsequent amendments thereto. The Code of Ethic is to be published on the Society's website and notified to the Supervisory Authorities.

3. The Management Board shall supplement the Code of Ethics with regard to the conduct required of Full Members and Mandate Members, also in relation to the prohibition of false programming and acts aimed at generating confusion in the correct identification of those entitled to the distribution of royalties.

ARTICLE 38 – Procedures for handling Complaints and Settling Disputes

1. The Society shall make available to its Full and Mandate Members, and collective management organisations or independent management entities, on whose behalf it manages rights by virtue of a representation agreement, procedures that are both timely and effective for the handling of complaints, in particular as regards the authorisation to administer rights and the related withdrawal or revocation of rights, membership terms, collection of amounts due to rightholders, deductions and distributions.

2. The aforesaid procedures comply with the provisions of Article 38 of Legislative Decree No. 35 of 15 March 2017.

3. The Society, by its own regulation, may make available to its Full Members, Mandate Members and to the collective management organisations or independent management entities on whose behalf it manages rights by virtue of a representation agreement, as well as to users, an optional alternative dispute resolution procedure based on arbitration or mediation. The aforementioned regulation is to be adopted by resolution of the Supervisory Board upon proposal of the Management Board. In any event, the regulation relating to the mediation or arbitration of disputes, if adopted, is to comply with the provisions of Legislative Decree No. 28 of 4 March 2010 and is to ensure that alternative dispute resolution is easily accessible, within a specific timeframe, and is both independent and impartial; for this purpose, the regulation is, in any case, subject to the approval of the Supervisory Authorities pursuant to Law No. 2 of 9 January 2008.

ARTICLE 39 - Transitional, interpretative, and final/special provisions.

1. For the purposes of the application of Law No. 2 of 2008, the General Assembly (and the Supervisory Board insofar as it falls within its competence), the Management Board and its Chairman

are, and shall be deemed and constitute for all intents and purposes, respectively, the Assembly, the Board of Directors and the President of the Society pursuant to Article. 1 (4), of the said law.

2. In relation to matters not expressly provided for in these Articles of Association, the Supervisory Board and the Management Board shall be governed by the provisions referred to in Articles 2409 -octies et seq. of the Italian Civil Code, inasmuch as the same are compatible.

3. The new governing bodies shall be appointed upon the approval and in accordance with these Articles of Association.

4. Any provisions included in the General Regulation inasmuch as the same are incompatible with these Articles of Association, or which repeat the provisions hereof, are repealed. To such purpose, an updated text of the General Regulation whereby the aforementioned repeals are taken into account, shall be adopted and published in accordance with the procedures referred to under Article 38.

5. Any reference in these Articles of Association to a specific law or Legislative Decree and/or regulation is to be construed also in relation to subsequent additions or amendments, even if not expressly stated.

6. Any references made in these Articles of Association to "written form", "registered letter" and/or similar are also to include Certified Electronic Mail, also taking into account the provisions of Article 4(11).

7. Members elected to the Supervisory Board who renounce such office while being simultaneously appointed as members of the Management Board, shall not be counted for the purposes referred to in Article 15 (11), (12) and (13). Pursuant to the preceding sentence, "Simultaneous appointment" shall mean the first appointment, made by the Supervisory Board after taking office, for the establishment of the Management Board.

7-bis. With regard to the extension of the term of office of corporate bodies (prorogatio), the provisions of the Civil Code shall apply.

8. For the purposes of these Articles of Association: (a) with respect to the Cinema Section "producers" shall be considered equivalent to "publishers"; (b) with regard to both the DOR and OLAF Sections, "producers" as well as "assignees" shall be considered equivalent to "publishers".

9. Any proposal by the Management Board, where provided for, does not limit the content of the Supervisory Board's deliberations and resolutions.

10. The Society shall apply, in as much as compatible and within the limits of the rules on privacy, the rules on transparency and anti-corruption.

Note: In the event of any conflict or doubt between the Italian and English version of these Articles of Association, the Italian version shall prevail.